

APPENDIX A

Relevant Portions of Principal Statutes Involved

Act of July 1, 1898, 30 Stat. 570
as amended, D.C. Code § 8-108:

"The park system of the District of Columbia is placed under the exclusive charge and control of the Director of the National Park Service, under such regulations as may be prescribed by the President of the United States."

Act of July 1, 1898, 30 Stat. 570
as amended, D.C. Code § 8-135:

"When in accordance with law or mutual legal agreement, spaces or portions of public land are transferred from the jurisdiction of the Director of the National Park Service as established by sections 5-204, 8-108, 8-110, 8-127, 8-135 and 8-143 to that of the commissioners of the District of Columbia, or vice versa, the letters exchanged between them of transfer and acceptance shall be sufficient authority for the necessary change in the official maps and for record when necessary." (July 1, 1898, 30 Stat. 570, ch. 543, § 5.)

Act of March 4, 1909, 35 Stat. 994
as amended, D.C. Code § 8-144:

"The application of the rules and regulations prescribed prior to March 4, 1909, or that may be thereafter prescribed by the Director of the National Park Service, under the authority granted by sections 5-204, 8-108, 8-110, 8-127, 8-135 and 8-143, for the Government and proper care of all public grounds placed by that act under the charge and control of the said Director of the National Park Service, is hereby extended to cover the side walks around the public grounds and the carriage-ways of such streets as lie between and separate the said public grounds. (Mar. 4, 1909, 35 Stat. 994, ch. 299, § 1.)"

**Act of August 25, 1916, 39
Stat. 535, 16 U.S.C. § 1:**

"There is created in the Department of the Interior a service to be called the National Park Service, which shall be under the charge of a director. The Secretary of the Interior shall appoint the director, and there shall also be in said service such subordinate officers, clerks, and employees as may be appropriated for by Congress. The service thus established shall promote and regulate the use of the Federal areas known as national parks, monuments, and reservations hereinafter specified, except such as are under the jurisdiction of the Secretary of the Army, as provided by law, by such means and measures as conforms to the fundamental purpose of the said parks, monuments, and reservations, which purpose is to conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations. Aug. 25, 1916, c. 408, § 1, 39 Stat. 535; Mar. 4, 1923, c. 265, 42 Stat. 1488; Mar. 3, 1925, c. 462, 43 Stat. 1176; Ex. Ord. No. 6166, § 2, June 10, 1933; Mar. 2, 1934, c. 38 § 1, 48 Stat. 389."

**Act of August 8, 1953, 67
Stat. 496, 16 U.S.C. § 1c:**

"(a) The term "National Park System" means all federally owned or controlled lands which are administered under the direction of the Secretary of the Interior in accordance with the provisions of sections 1 and 2-4 of this title, and which are grouped into the following descriptive categories: (1) National parks, (2) national monuments, (3) national historical parks, (4) national memorials, (5) national parkways, and (6) national capital parks."

**Act of August 25, 1916, 39
Stat. 535, 16 U.S.C. § 2:**

"The director shall, under the direction of the Secretary of the Interior, have the supervision, management, and control of the several national parks and national monuments

which on August 25, 1916, were under the jurisdiction of the Department of the Interior and of such other national parks and reservations of like character as may be created by Congress . . .”

**Act of August 25, 1916, 39
Stat. 535, 16 U.S.C. § 3:**

“The Secretary of the Interior shall make and publish such rules and regulations as he may deem necessary or proper for the use and management of the parks, monuments, and reservations under the jurisdiction of the National Park Service . . .”

**Act of May 26, 1930, 46
Stat. 382, 16 U.S.C. § 17b:**

“The Secretary of the Interior is authorized to contract for services or other accommodations provided in the national parks and national monuments for the public under contract with the Department of the Interior, as may be required in the administration of the National Park Service, at rates approved by him for the furnishing of such services or accommodations to the Government and without compliance with the provisions of section 5 of Title 41. May 26, 1930, c. 324, § 3, 46 Stat. 382.”

**Act of October 9, 1965, 79
Stat. 969, 16 U.S.C. § 20:**

**“CONCESSIONS FOR ACCOMMODATIONS, FACILITIES AND
SERVICES IN AREAS ADMINISTERED BY NATIONAL
PARK SERVICES [NEW]”**

§ 20. Congressional findings and statement of purpose

In furtherance of the Act of August 25, 1916 (39 Stat. 535), as amended, which directs the Secretary of the Interior to administer national park system areas in accordance with the fundamental purpose of conserving their scenery, wildlife, natural and historic objects, and providing for their enjoyment in a manner that will leave them

unimpaired for the enjoyment of future generations, the Congress hereby finds that the preservation of park values requires that such public accommodations, facilities, and services as have to be provided within those areas should be provided only under carefully controlled safeguards against unregulated and indiscriminate use, so that the heavy visitation will not unduly impair these values and so that development of such facilities can best be limited to locations where the least damage to park values will be caused. It is the policy of the Congress that such development shall be limited to those that are necessary and appropriate for public use and enjoyment of the national park area in which they are located and that are consistent to the highest practicable degree with the preservation and conservation of the areas. Pub. L. 89-249, § 1, Oct. 9, 1965, 79 Stat. 969.

§ 20a. Authority of Secretary of the Interior to encourage concessioners

Subject to the findings and policy stated in section 20 of this title, the Secretary of the Interior shall take such action as may be appropriate to encourage and enable private persons and corporations (hereinafter referred to as "concessioners") to provide and operate facilities and services which he deems desirable for the accommodation of visitors in areas administered by the National Park Service. Pub. L. 89-249, § 2, Oct. 9, 1965, 79 Stat. 969.

§ 20b. Protection of concessioner's investment—Contract terms; compensation for loss of investment

(a) Without limitation of the foregoing, the Secretary may include in contracts for the providing of facilities and services such terms and conditions as, in his judgment, are required to assure the concessioner of adequate protection against loss of investment in structures, fixtures, improvements, equipment, supplies, and other tangible property provided by him for the purposes of the contract (but not against loss of anticipated profits) resulting from discre-

tionary acts, policies, or decisions of the Secretary occurring after the contract has become effective under which acts, policies, or decisions the concessioner's authority to conduct some or all of his authorized operations under the contract ceases or his structures, fixtures, and improvements, or any of them, are required to be transferred to another party or to be abandoned, removed, or demolished. Such terms and conditions may include an obligation of the United States to compensate the concessioner for loss of investment, as aforesaid.

**Profit commensurate with capital invested
and obligations assumed**

(b) The Secretary shall exercise his authority in a manner consistent with a reasonable opportunity for the concessioner to realize a profit on his operation as a whole commensurate with the capital invested and the obligations assumed.

Reasonableness of concessioner's rates and charges

(c) The reasonableness of a concessioner's rates and charges to the public shall, unless otherwise provided in the contract, be judged primarily by comparison with those current for facilities and services of comparable character under similar conditions, with due consideration for length of season, provision for peakloads, average percentage of occupancy, accessibility, availability and costs of labor and materials, type of patronage, and other factors deemed significant by the Secretary.

**Determination of franchise fees; reconsideration
every five years or oftener**

(d) Franchise fees, however stated, shall be determined upon consideration of the probable value to the concessioner of the privileges granted by the particular contract or permit involved. Such value is the opportunity for net profit

in relation to both gross receipts and capital invested. Consideration of revenue to the United States shall be subordinate to the objectives of protecting and preserving the areas and of providing adequate and appropriate services for visitors at reasonable rates. Appropriate provisions shall be made for reconsideration of franchise fees at least every five years unless the contract is for a lesser period of time. Pub. L. 89-249, § 3, Oct. 9, 1965, 79 Stat. 969.

§ 20c. New or additional services; preferential rights; operations by a single concessioner

The Secretary may authorize the operation of all accommodations, facilities, and services for visitors, or of all such accommodations, facilities, and services of generally similar character, in each area, or portion thereof, administered by the National Park Service by one responsible concessioner and may grant to such concessioner a preferential right to provide such new or additional accommodations, facilities, or services as the Secretary may consider necessary or desirable for the accommodation and convenience of the public. The Secretary may, in his discretion, grant extensions, renewals, or new contracts to present concessioners, other than the concessioner holding a preferential right, for operations substantially similar in character and extent to those authorized by their current contracts or permits. Pub. L. 89-249, § 4, Oct. 9, 1965, 79 Stat. 970.

§ 20d. Renewal preference for satisfactory performance; extensions; new contracts; public notice

The Secretary shall encourage continuity of operation and facilities and services by giving preference in the renewal of contracts or permits and in the negotiation of new contracts or permits to the concessioners who have performed their obligations under prior contracts or permits to the satisfaction of the Secretary. To this end, the Secretary, at any time in his discretion, may extend or renew a contract or permit, or may grant a new contract or permit

to the same concessioner upon the termination or surrender before expiration of a prior contract or permit. Before doing so, however, and before granting extensions, renewals or new contracts pursuant to the last sentence of section 20c of this title, the Secretary shall give reasonable public notice of his intention so to do and shall consider and evaluate all proposals received as a result thereof. Pub. L. 89-249, § 5, Oct. 9, 1965, 79 Stat. 970.

§ 20e. Concessioner's possessory interest in concession property; limitations; compensation for taking; determination of just compensation

A concessioner who has heretofore acquired or constructed or who hereafter acquires or constructs, pursuant to a contract and with the approval of the Secretary, any structure, fixture, or improvement upon land owned by the United States within an area administered by the National Park Service shall have a possessory interest therein, which shall consist of all incidents of ownership except legal title, and except as hereinafter provided, which title shall be vested in the United States. Such possessory interest shall not be construed to include or imply any authority, privilege, or right to operate or engage in any business or other activity, and the use or enjoyment of any structure, fixture, or improvement in which the concessioner has a possessory interest shall be wholly subject to the applicable provisions of the contract and of laws and regulations relating to the area. The said possessory interest shall not be extinguished by the expiration or other termination of the contract and may not be taken for public use without just compensation. The said possessory interest may be assigned, transferred, encumbered, or relinquished. Unless otherwise provided by agreement of the parties, just compensation shall be an amount equal to the sound value of such structure, fixture, or improvement at the time of taking by the United States determined upon the basis of reconstruction cost less depreciation evidenced by its con-

dition and prospective serviceability in comparison with a new unit of like kind, but not to exceed fair market value. The provisions of this section shall not apply to concessioners whose current contracts do not include recognition of a possessory interest, unless in a particular case the Secretary determines that equitable considerations warrant recognition of such interest. Pub. L. 89-249, § 6, Oct. 9, 1965, 79 Stat. 970.

§ 20f. Use of non-monetary consideration in leases of government property

The provisions of section 303b of Title 40, relating to the leasing of buildings and properties of the United States, shall not apply to privileges, leases, permits, and contracts granted by the Secretary of the Interior for the use of lands and improvements thereon, in areas administered by the National Park Service, for the purpose of providing accommodations, facilities, and services for visitors thereto, pursuant to the Act of August 25, 1916 (39 Stat. 535), as amended, or the Act of August 21, 1935, chapter 593 (49 Stat. 666), as amended. Pub. L. 89-249, § 7, Oct. 9, 1965, 79 Stat. 971.

§ 20g. Record keeping; audit and examination; access to books and records

Each concessioner shall keep such records as the Secretary may prescribe to enable the Secretary to determine that all terms of the concession contract have been and are being faithfully performed, and the Secretary and his duly authorized representatives shall, for the purpose of audit and examination, have access to said records and to other books, documents, and papers of the concessioner pertinent to the contract and all the terms and conditions thereof.

The Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of five (5) calendar years after the close of the business year of each concessioner or subconcessioner have

access to and the right to examine any pertinent books, documents, papers, and records of the concessioner or sub-concessioner related to the negotiated contract or contracts involved. Pub. L. 89-249, § 9, Oct. 9, 1965, 79 Stat. 971."

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Act of September 15, 1960, 74
Stat. 1031, D.C. Code § 1-1410:

COMPACT FOR MASS TRANSPORTATION

Act of September 15, 1960

§ 1-1410. Consent of Congress given for Virginia, Maryland and District of Columbia to enter into compact for regulation of mass transportation in Washington metropolitan area.

The consent and approval of Congress is hereby given to the States of Virginia and Maryland and to the District of Columbia to enter into a compact, substantially as follows,¹ for the regulation and improvement of mass transit in the Washington metropolitan area, which compact, known as the Washington metropolitan area transit regulation compact, has been negotiated by representatives of the States and the District of Columbia and has been adopted by the State of Virginia (ch. 627, 1958 Acts of Assembly), and in substance by the State of Maryland. (Sept. 15, 1960, 74 Stat. 1031, Pub. L. 86-794, § 1.)

PREAMBLE TO ACT SEPT. 15, 1960

"Whereas the regulation of mass transit service in the metropolitan area of Washington, District of Columbia, is divided among the public utility regulatory agencies of the States of Virginia, Maryland, and the District of Columbia and the Interstate Commerce Commission; and

¹ The compact is set out as a note under this section.

"Whereas such divided regulatory responsibility is not conducive to the development of an adequate system of mass transit for the entire metropolitan area, which is in fact a single integrated, urban community; and

"Whereas the Legislatures of Virginia and Maryland and the Board of Commissioners of the District of Columbia in 1954 created a Joint Commission to study, among other things, whether joint action by Maryland, Virginia, and the District of Columbia is necessary or desirable in connection with the regulation of passenger carrier facilities operating in such areas and the provision of adequate, nondiscriminatory and uniform service therein; and

"Whereas said Joint Commission has actively participated in the mass transit study authorized by the Congress (Public Law 24 and Public Law 573, Eighty-fourth Congress), and in furtherance thereof said Joint Commission has negotiated the Washington metropolitan area transit regulation compact, set forth in full below, providing for the establishment of a single organization as the common agency of the signatories to regulate transit and alleviate traffic congestion, which compact has been enacted by Virginia (ch. 627, 1958 Act of Assembly) and in substantially the same language by Maryland (ch. 613, Acts of General Assembly 1959); and

"Whereas said compact adequately protects the national interest in mass transit service in the metropolitan area of the Nation's Capital and properly accommodates the National and State interests in and obligations toward mass transit in the metropolitan area: Now, therefore, be it"

PROPOSED COMPACT BETWEEN THE STATES OF MARYLAND AND VIRGINIA AND THE DIS- TRICT OF COLUMBIA

Act Sept. 15, 1960, provided that:

"The States of Maryland and Virginia and the District of Columbia, hereinafter referred to as signatories, do hereby covenant and agree as follows:

"TITLE I

"GENERAL COMPACT PROVISIONS

"ARTICLE I

"There is hereby created the Washington Metropolitan Area Transit District, hereinafter referred to as Metropolitan District, which shall embrace the District of Columbia, the cities of Alexandria and Falls Church, the counties of Arlington and Fairfax, and political subdivisions of the State of Virginia located within those counties, and the counties of Montgomery and Prince Georges, in the State of Maryland and political subdivisions of the State of Maryland located within said counties. [See amendments to this article set out as a note to section 1-1410a.]

"ARTICLE II

"The signatories hereby create the 'Washington Metropolitan Area Transit Commission', hereinafter called the Commission, which shall be an instrumentality of the District of Columbia, the Commonwealth of Virginia and the State of Maryland, and shall have the powers and duties set forth in this compact and such additional powers and duties as may be conferred upon it by subsequent action of the signatories. The Commission shall have jurisdiction coextensive with the Metropolitan District for the regulation and improvement of transit and the alleviation of traffic congestion within the Metropolitan District on a coordinated basis, without regard to political boundaries within the Metropolitan District, as set forth herein.

"ARTICLE III

"1. The Commission shall be composed of three members, one member each to be appointed by the Governors of Virginia and Maryland and by the Board of Commissioners of the District of Columbia, from that agency of each signatory having jurisdiction over the regulation of mass transit within each such jurisdiction. The member so appointed shall serve for a term coincident with the term of that member on such agency of the signatory and any Commissioner may be removed or suspended from office as provided by the law of the signatory from which he shall be appointed. Vacancies shall be filled for an unexpired term in the same manner as an original appointment.

"2. No person in the employment of or holding any official relation to any person or company subject to the jurisdiction of the Commission or having any interest of any nature in any such person or company or affiliate or associate thereof, shall be eligible to hold the office of Commissioner or to serve as an employee of the Commission or to have any power or duty or to receive any compensation in relation thereto.

"3. The Commission shall select a chairman from its membership annually. Such chairman is vested with the responsibility for the discharge of the Commission's work and to that end he is empowered with all usual powers to discharge his duties.

"4. Each signatory hereto may pay the Commissioner therefrom such salary or expenses, if any, as it deems appropriate.

"5. The Commission may employ such engineering, technical, legal, clerical, and other personnel on a regular, part-time, or consulting basis as in its judgment may be necessary for the discharge of its functions. The Commission shall not be bound by any statute or regulation of any signatory in the employment or discharge of any officer or

employee of the Commission, except as such may be contained in this compact.

"6. The Commission shall establish its office for the conduct of its affairs at a location to be determined by the Commission within the Metropolitan District and shall publish rules and regulations governing the conduct of its operations.

"ARTICLE IV

"1. The expenses of the Commission shall be borne by the signatories in the manner hereinafter set forth. The Commission shall submit to the Governor of Virginia, the Governor of Maryland and the Board of Commissioners of the District of Columbia, at such time or times as shall be requested, a budget of its requirements for such period as may be required by the laws of the signatories for presentation to the legislature thereof. The expenses of the Commission shall be allocated among the signatories in the proportion that the population of each signatory within the Metropolitan District bears to the total population of the Metropolitan District. The allocation shall be made by the Commission and approved by the Governors of the two states and the Board of Commissioners of the District of Columbia, and shall be based on the latest available population statistics of the Bureau of the Census; provided, however, that if current population data are not available, the Commission may, upon the request of any signatory, employ estimates of population prepared in a manner approved by the Commission and by the signatory making such request.

"2. The signatories agree to appropriate for the expenses of the Commission their proper proportion of the budget determined in the manner set forth herein and to pay such appropriation to the Commission. There shall not be included in the budget of the Commission or in the appropriations therefor any sums for the payment of salaries or expenses of the Commissioners or members of the

Traffic and Highway Board created by Article V of this Title I and payments to such persons, if any, shall be within the discretion of each signatory. The provisions of section 2-27 of the Code of Virginia shall not apply to any official or employee of the Commonwealth of Virginia acting or performing services under this Act.

"3. The expenses allocable to a signatory shall be reduced in an amount to be determined by the Commission if a signatory, upon request of the Commission, makes available personnel, services or material to the Commission which the Commission would otherwise have to employ or purchase. If such services in kind are rendered, the Commission shall return to such signatory an amount equivalent to the savings to the Commission represented by the contribution in kind.

"4. The Commission shall keep accurate books of account, showing in full its receipts and disbursements, and said books of account shall be open at any reasonable time for inspection by such representatives of the respective signatories as may be duly constituted for that purpose.

"ARTICLE V

"1. There is hereby created in addition to the Commission a Traffic and Highway Board, hereinafter referred to as Board. This Board shall be composed of the Chairman of the Commission created by article II, who shall be chairman of this Board, and the heads of the traffic and highway departments of each of the signatories and of the counties and cities encompassed within the Metropolitan District, a representative of the National Capital Planning Commission, a representative of the National Capital Regional Planning Council, and a representative of each local and regional planning commission within the District. The representatives of the various planning commissions shall be designated by each such commission. The official in charge of the traffic and highway department of each of the signatories may appoint a member of his staff to serve in his stead with full voting powers.

"2. The Board shall make recommendations to the Commission with respect to traffic engineering, including the selection and use of streets for transit routing, the requirements for transit service throughout the Metropolitan District, and related matters. The Board shall also consider problems referred to it by the Commission and shall continuously study means and methods of shortening transit travel time, formulate plans with respect thereto, and keep the Compact Commission fully advised of its plans and conclusions.

"3. The Board shall serve the Commission solely in an advisory capacity. The Commission shall not direct or compel the Board or its members to take any particular action with respect to effectuating changes in traffic engineering and related matters, but the members of the Board in their capacity as officials of local government agencies shall use their best efforts to effectuate the recommendations and objectives of the Commission.

"4. The members of the Board shall serve with or without additional compensation as determined by their respective signatories.

"ARTICLE VI

"No action by the Commission shall be of effect unless a majority of the members concur therein; provided, that any order entered by the Commission pursuant to the provisions of title II hereof, relating to or which affect operations or matters solely intrastate or solely within the District of Columbia, shall not be effective unless the Commissioner from the signatory affected concurs therein. Two members of the Commission shall constitute a quorum.

"ARTICLE VII

"Nothing herein shall be construed to amend, alter, or in any wise affect the power of the signatories and the political subdivisions thereof to levy and collect taxes on

the property or income of any person or company subject to this Act or upon any material, equipment or supplies purchased by such person or companies or to levy, assess and collect franchise or other similar taxes, or fees for the licensing of vehicles and the operation thereof.

"ARTICLE VIII

"This compact shall be adopted by the signatories in the manner provided by law therefor. This compact shall become effective ninety (90) days after its adoption by the signatories and consent thereto by the Congress of the United States, including the enactment by the Congress of such legislation, if any, as it may deem necessary to grant this Commission jurisdiction over transportation in the District of Columbia and between the signatories and over the persons engaged therein, to suspend the applicability of the Interstate Commerce Act, the laws of the District of Columbia, and any other laws of the United States, to the persons, companies and activities which are subject to this Act, to the extent that such laws are inconsistent with, or in duplication of, the jurisdiction of the Commission or any provision of this Act, or any rule, regulation or order lawfully prescribed or issued under this Act, and to make effective the enforcement and review provisions of this Act.

"ARTICLE IX

"1. This compact may be amended from time to time without the prior consent or approval of the Congress and any such amendment shall be effective unless, within one year thereof, the Congress disapproves such an amendment. No amendment shall be effective unless adopted by each of the signatories hereto.

"2. Any signatory may withdraw from the compact upon one year's written notice to that effect to the other signatories. In the event of a withdrawal of one of the

signatories from the contract, the compact shall be terminated.

"3. Upon the termination of this compact, the jurisdiction over the matters and persons covered by this Act shall revert to the signatories and the Federal Government, as their interests may appear, and the applicable laws of the signatories and the Federal Government shall be reactivated without further legislation.

"Article X

"Each of the signatories pledges to each of the other signatory parties faithful cooperation in the solution and control of transit and traffic problems within the Metropolitan District and, in order to effect such purposes, agrees to enact any necessary legislation to achieve the objectives of the compact to the mutual benefit of the citizens living within said Metropolitan District and for the advancement of the interests of the signatories hereto.

"Article XI

"1. If any part or provision of this compact or the application thereof to any person or circumstances be adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision or application directly involved in the controversy in which such judgment shall have been rendered and shall not affect or impair the validity of the remainder of this compact or the application thereof to other persons or circumstances and the signatories hereby declare that they would have entered into this compact or the remainder thereof had the invalidity of such provision or application thereof been apparent.

"2. In accordance with the ordinary rules for construction of interstate compacts, this compact shall be liberally construed to eliminate the evils described therein and to effectuate the purposes thereof.

"TITLE II**"Compact Regulatory Provisions****"Article XII****"Transportation Covered**

"1. (a) This Act shall apply to the transportation for hire by any carrier of persons between any points in the Metropolitan District and to the persons engaged in rendering or performing such transportation service, except—

"(1) transportation by water;

"(2) transportation by the Federal Government, the signatories hereto, or any political subdivision thereof;

"(3) transportation by motor vehicles employed solely in transporting school children and teachers to or from public or private schools;

"(4) transportation performed in the course of an operation over a regular route, the major portion of which is outside the Metropolitan District except where a major portion of the passenger traffic begins and ends within the Metropolitan District;

"(5) transportation performed by a common carrier by railroad subject to part I of the Interstate Commerce Act, as amended.

"(b) No transportation or person, otherwise subject to this Act, shall be exempt by reason of the fact that any part (not a major part as conditionally exempted by paragraph (a)(4) of this section) of the route between points in the Metropolitan District lies outside of the Metropolitan District; provided, however, that the provisions of this title II shall not apply to transportation as specified in this section solely within the Commonwealth of Virginia and to the activities of persons engaged in such transportation, nor shall any provision of

this title II be construed to infringe the exercise of any powers or the discharge of any duties conferred or imposed upon the State Corporation Commission of the Commonwealth of Virginia by the Virginia constitution.

"(c) Notwithstanding the provisions of paragraph (a) of this section, this Act shall apply to taxicabs and other vehicles having a seating capacity of eight passengers or less in addition to the driver thereof with respect only to (i) the rates or charges for transportation from one signatory to another within the confines of the Metropolitan District, and (ii) requirements for minimum insurance coverage. [See amendments to this section set out as a note to section 1-1410a.]

"Definitions

"2. As used in this Act—

"(a) The term 'carrier' means any person who engages in the transportation of passengers for hire by motor vehicle, street railroad, or other form or means of conveyance.

"(b) The term 'motor vehicle' means any automobile, bus, or other vehicle propelled or drawn by mechanical or electrical power on the public streets or highways of the Metropolitan District and used for the transportation of passengers.

"(c) The term 'street railways' means any streetcar, bus, or other similar vehicle propelled or drawn by electrical or mechanical power on rails and use for transportation of passengers.

"(d) The term 'taxicab' means any motor vehicle for hire (other than a vehicle operated, with the approval of the Commission, between fixed termini on regular schedules) designed to carry eight persons or less, not including the driver, used for the purpose of accepting or soliciting passengers for hire in transportation subject

to this Act, along the public streets and highways, as the passengers may direct.

“(e) The term ‘person’ means any individual, firm, copartnership, corporation, company, association or joint stock association; and includes any trustee, receiver, assignee, or personal representative thereof.

“General Duties of Carriers

“3. It shall be the duty of every carrier to furnish transportation subject to this Act as authorized by its certificate and to establish reasonable through routes with other carriers; to provide safe and adequate service, equipment, and facilities in connection with such transportation; to establish, observe, and enforce just and reasonable individual and joint fares, and just and reasonable regulations and practices relating thereto; and, in case of joint fares, to establish just¹ reasonable, and equitable deviations² thereof as between the carriers participating therein which shall not unduly prefer or prejudice any of such carriers.

“Certificates of Public Convenience and Necessity; Routes and Services

“4. (a) No person shall engage in transportation subject to this Act unless there is in force a certificate of public convenience and necessity issued by the Commission authorizing such person to engage in such transportation; provided, however; that if any person was bona fide engaged in transportation subject to this Act on the effective date of this Act, the Commission shall issue such certificate without requiring further proof that public convenience and necessity will be served by such operation, and without further proceedings, if application for such certificate is made to the Commission within 90

¹ So in original. Probably should have a comma.

² So in original. Probably should read “divisions”.

days after the effective date of this Act. Pending the determination of any such application, the continuance of such operation shall be lawful.

“(b) When an application is made under this section for a certificate except with respect to a service being rendered upon the effective date of this Act, the Commission shall issue a certificate to any qualified applicant therefor, authorizing the whole or any part of the transportation covered by the application, if it finds, after hearing held upon reasonable notice, that the applicant is fit, willing and able to perform such transportation properly and to conform to the provisions of this Act and the rules, regulations, and requirements of the Commission thereunder, and that such transportation is or will be required by the public convenience and necessity; otherwise such application shall be denied. The Commission shall act upon applications under this subsection as speedily as possible. The Commission shall have the power to attach to the issuance of a certificate and to the exercise of the rights granted thereunder such reasonable terms and conditions as the public convenience and necessity may require; provided, however, That no terms, conditions, or limitations shall restrict the right of the carrier to add to his or its equipment and facilities over the routes, between the termini, or within the territory specified in the certificate, as the development of the business and the demands of the public shall require.

“(c) Application for a certificate under this section shall be made in writing to the Commission and shall be so verified, shall be in such form, and shall contain such information, as the Commission by regulations shall require. The Commission shall prescribe such reasonable requirements as to notices, publication, proof of service, and information as in its judgment may be necessary.

“(d)(1) Any certificate issued by the Commission shall specify the service to be rendered and the routes over

which, the fixed termini, if any, between which, and the intermediate and off-route points, if any, at which, and in case of operations not over specified routes or between fixed termini, the territory within which, the carrier is authorized to operate.

“(2) A certificate for the transportation of passengers may include authority to transport in the same vehicle with the passengers, newspapers, baggage of passengers, express, or mail, or to transport baggage of passengers in a separate vehicle.

“(3) To enable the provision of service for which there is an immediate and urgent need to a point or points or within a territory having no carrier service capable of meeting such need, the Commission may, in its discretion and without hearings or other proceedings, grant temporary authority for such service. Such temporary authority unless suspended or revoked for good cause, shall be valid for such time as the Commission shall specify, but for not more than an aggregate of 180 days and create no presumption that corresponding permanent authority will be granted thereafter.

“(e) The Commission may, if it finds that the public convenience and necessity so require, require any person subject to this Act to extend any existing service or provide any additional service over additional routes within the Metropolitan District; provided, however, that no certificate shall be issued to operate over the routes of any holder of a certificate until it shall be proved to the satisfaction of the Commission, after hearing, upon reasonable notice, that the service rendered by such certificate holder, over such route, is inadequate to the requirements of the public necessity and convenience; and provided, further, if the Commission shall be of opinion that the service rendered by such certificate holder over such route is in any respect inadequate to the requirements

of the public necessity and convenience, such certificate holder shall be given reasonable time and opportunity to remedy such inadequacy before any certificate shall be granted to operate over such route; and further provided that no person subject to this Act may be required to extend any existing service or provide any additional service over additional routes within the Metropolitan District unless the carrier is currently earning a reasonable return on its operation as a whole in performing transportation subject to this Act.

“(f) The Commission may refer to the Traffic and Highway Board created under Title I hereof any service proposed under an application for a certificate. The Board shall as speedily as possible give the Commission its recommendations with respect to the proposed service, but such recommendations shall be advisory only.

“(g) Certificates shall be effective from date specified therein and shall remain in effect until suspended or terminated as herein provided. Any such certificate, may, upon application of the holder thereof, in the discretion of the Commission, be amended or revoked, in whole or in part, or may, upon complaint, or on the Commission's own initiative, after notice and hearing, be suspended, changed, or revoked, in whole or in part, for wilful failure to comply with any lawful order, rule, or regulation of the Commission, or with any term, condition, or limitation of such certificate; provided however, that no certificate shall be revoked (except upon application of the holder) unless the holder thereof wilfully fails to comply, within a reasonable time, not less than 30 days, to be fixed by the Commission, with a lawful order of the Commission commanding obedience to the rules or regulations or orders of the Commission, or to the terms, conditions, or limitations of such certificate found by the Commission to have been violated by such holder. No certificate shall be issued to an applicant proposing to operate over the

routes of any holder of a certificate unless and until it shall be proved to the satisfaction of the Commission, after hearing upon reasonable notice, that the service rendered by such certificate holder, over such route, is inadequate to the requirements of the public convenience and necessity; and provided, further, if the Commission shall be of the opinion that the service rendered by such certificate holder over such route is in any respect inadequate to the requirements of the public convenience and necessity, such certificate holder shall be given reasonable time and opportunity to remedy such inadequacy before any certificate shall be granted to an applicant proposing to operate over such route.

“(h) No certificate under this section may be transferred unless such transfer is approved by the Commission as being consistent with the public interest.

“(i) No carrier shall abandon any route specified in a certificate issued to such carrier under this section, unless such carrier is authorized to do so by an order issued by the Commission. The Commission shall issue such order, if upon application by such carrier, and after notice and opportunity for hearing, it finds that the abandonment of such route is consistent with the public interest. The Commission, by regulations or otherwise, may authorize such temporary suspensions of routes as may be consistent with the public interest. The fact that a carrier is operating a route or furnishing a service at a loss shall not, of itself, determine the question of whether abandonment of the route or service over the route is consistent with the public interest as long as the carrier earns a reasonable return.

“Schedule of Fares, Regulations, and Practices

“5. (a) Each carrier shall file with the Commission, and print, and keep open to public inspection, tariffs showing (1) all fares it charges for transportation subject to this

Act, including any joint fares established for through routes over which it performs transportation subject to this Act in conjunction with another carrier, and (2) to the extent required by regulations of the Commission, the regulations and practices of such carrier affecting such fares. Such tariffs shall be filed, posted, and published in such form and manner, and shall contain such information, as the Commission by regulations shall prescribe. The Commission may reject any tariff so filed which is not consistent with this section and such regulations. Any tariff so rejected shall be void.

“(b) Each carrier which, immediately prior to the effective date of this section, was engaged in transportation specified in section 1(a) of this Title II, shall file a tariff in compliance with paragraph (a) of this Section 5 within ninety (90) days after such date. The fares shown in such tariff shall be the fares which such carrier was authorized to charge, immediately prior to such date, under the law under which it was then regulated, and the regulations and practices affecting such fares which shall be shown in such tariff shall be such of the regulations and practices, then in effect under such law, as the Commission shall by regulations require. Such tariff shall become effective upon filing. Pending the filing of such tariff, the fares which such carrier was authorized to charge immediately prior to the effective date of this Act under the law under which it was then regulated, and the regulations and practices relating to such fares, shall be the lawful fares and practices and regulations.

“(c) Every carrier shall keep currently on file with the Commission, if the Commission so requires, the established divisions of all joint fares for transportation subject to this Act in which such carrier participates.

“(d) No carrier shall charge, for any transportation subject to this Act, any fare other than the applicable fare specified in a tariff filed by it under this section and

in effect at the time. During the period before a tariff filed by it under this section has become effective, no carrier referred to in subsection (b) shall charge, for any transportation subject to this Act, any fare other than the fare which it was authorized to charge for such transportation immediately prior to the effective date of this section, under the law, under which it was then regulated.

“(e) Any carrier which desires to change any fare specified in a tariff filed by it under this section, or any regulation or practice specified in any such tariff affecting such a fare, shall file a tariff in compliance with this section, showing the change proposed to be made and shall give notice to the public of the proposed change by posting and filing such tariff in such manner as the Commission may by rule, regulation or order provide. Each tariff filed under this subsection shall state a date on which the new tariff shall take effect, and such date shall be at least thirty (30) days after the date on which the tariff is filed, unless the Commission by order authorizes its taking effect on an earlier date.

“Power to Prescribe Fares, Regulations, and Practices

“6. (a)(1) The Commission, upon complaint or upon its own initiative, may suspend any fare, regulation, or practice shown in a tariff filed with it under Section 5 (except a tariff to which Section 5(b) applies), at any time before such fare, regulation, or practice would otherwise take effect. Such suspension shall be accomplished by filing with the tariff, and delivered to the carrier or carriers affected thereby, a notification in writing of such suspension. In determining whether any proposed change shall be suspended, the Commission shall give consideration to, among other things, the financial condition of the carrier, its revenue requirements, and whether the carrier is being operated economically and efficiently. The period of suspension shall terminate ninety (90) days after the

date on which the fare, regulation, or practice involved would otherwise go into effect, unless the Commission extends such period as provided in paragraph (2).

"(2) If, after hearing held upon reasonable notice, the Commission finds that any fare, regulation or practice relating thereto, so suspended is unjust, unreasonable, or unduly preferential or unduly discriminatory either between riders or sections of the Metropolitan District, it shall issue an order prescribing the lawful fare, regulation, or practice to be in effect. The fare, regulation, or practice so prescribed shall take effect on the date specified in such order. If such an order has not been issued within the ninety (90) day suspension period provided for in paragraph (1), the Commission may from time to time extend such period, but in any event the suspension period shall terminate, no later than one hundred and twenty (120) days after the date the fare, regulation or practice involved was suspended. If no such order is issued within the suspension period (including any extension thereof), the fare, regulation or practice involved shall take effect at the termination of such period.

"(3) In the exercise of its power to prescribe just and reasonable fares and regulations and practices relating thereto, the Commission shall give due consideration, among other factors, to the inherent advantages of transportation by such carriers; to the effect of rates upon the movement of traffic by the carrier or carriers for which the rates are prescribed; to the need, in the public interest, of adequate and efficient transportation service by such carriers at the lowest cost consistent with the furnishing of such service; and to the need of revenue sufficient to enable such carriers, under honest, economical, and efficient management, to provide such service.

"(4) It is hereby declared as a matter of legislative policy that in order to assure the Metropolitan District of

an adequate transportation system operating as private enterprises the carriers therein, in accordance with standards and rules prescribed by the Commission, should be afforded the opportunity of earning such return as to make the carriers attractive investments to private investors. As an incident thereto, the opportunity to earn a return of at least 6½ per centum net after all taxes properly chargeable to transportation operations, including but not limited to income taxes, on gross operating revenues, shall not be considered unreasonable.

“(b) Whenever, upon complaint, or upon its own initiative, and after hearing held upon reasonable notice, the Commission finds that any individual or joint fare in effect for transportation subject to this Act, or any regulation or practice affecting such fare, is unjust, unreasonable or unduly preferential or unduly discriminatory, the Commission shall issue an order prescribing the lawful fare, regulation, or practice thereafter to be in effect.

“Through Routes, Joint Fares

“7. (a) In order to encourage and provide adequate transit service on a Metropolitan District-wide basis, any carrier may establish through routes and joint fares with any other carrier subject to this Act or the jurisdiction of the Interstate Commerce Commission, the State Corporation Commission of the Commonwealth of Virginia, or the Public Service Commission of the State of Maryland.

“(b) Whenever required by the public convenience and necessity, the Commission, upon complaint or upon its own initiative, and after hearing held upon reasonable notice, may establish through routes and joint fares for transportation subject to this Act, and the regulations or practices affecting such fares, and the terms and conditions under which such through routes shall be operated.

"(c) Whenever, upon complaint or upon its own initiative, and after hearing upon reasonable notice, the Commission is of the opinion that the divisions of any joint fare for transportation subject to this Act are or will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between the participating carriers, the Commission shall prescribe the just, reasonable and equitable divisions thereof to be received by the participating carriers. The Commission may require the adjustment of divisions between such carriers from the date of filing the complaint or entry of the order of investigation, or such other date subsequent thereto as the Commission finds to be just, reasonable and equitable.

"Taxicab Fares"

"8. The Commission shall have the duty and the power to prescribe reasonable rates for transportation by taxicab only between a point in the jurisdiction of one signatory party and a point in the jurisdiction of another signatory party provided both points are within the Metropolitan District. The fare or charge for such transportation may be calculated on a mileage basis, a zone basis, or on any other basis approved by the Commission; provided, however, that the Commission shall not require the installation of a taximeter in any taxicab when such a device is not permitted or required by the jurisdiction licensing and otherwise regulating the operation and service of such taxicab.

"Security for the Protection of the Public"

"9. (a) No certificate of public convenience and necessity shall be issued under Section 4, and no certificate issued under such section shall remain in force, unless the person applying for or holding such certificate complies with such reasonable regulations as the Commission shall prescribe governing the filing and approval of surety bonds, policies of insurance, qualifications as a self-in-

suror or other securities or agreements, in such reasonable amount as the Commission may require, conditioned to pay, within the amount of such surety bonds, policies of insurance, qualifications as a self-insurer or other securities or agreements, any final judgment recovered against such motor carrier for bodily injuries to or the death of any person, or for loss or damage to property of others, resulting from the operation, maintenance, or use of motor vehicles, street cars, or other equipment or facilities utilized in furnishing transportation subject to this Act.

“(b) No taxicab shall be permitted to transport passengers between a point in the jurisdiction of a signatory to a point in the jurisdiction of another signatory within the Metropolitan District unless the taxicab and the person or persons licensed by any signatory to own and/or operate such taxicab shall comply with such reasonable regulations as the Commission shall prescribe governing the filing and approval of surety bonds, policies of insurance, qualifications as a self-insurer, or other securities or agreements, in such reasonable amounts as the Commission may require, conditioned to pay within the amount of such surety bonds, policies of insurance qualifications as a self-insurer or other securities or agreements, any final judgment recovered against such taxicab for bodily injuries to or the death of any person, or for loss or damage to property of others, resulting from the operation, maintenance or use of taxicabs utilized in furnishing transportation subject to this Act.

“Accounts, Records and Reports; Depreciation

“10. (a) The Commission may require annual or other periodic reports, and special reports, from any carrier; prescribe the manner and form in which such reports shall be made; and require from any such carrier specific answers to all questions upon which the Commission deems information to be necessary. Such reports shall be under oath whenever the Commission so requires.

"(b) Each carrier subject to the Commission shall keep such accounts, records, and memoranda with respect to activities in which it is engaged (whether or not such activities constitute transportation subject to this Act), including accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of money, as the Commission by regulation prescribes. The Commission shall by regulation prescribe the form of such accounts, records, and memoranda, and the length of time that such accounts, records, and memoranda shall be preserved.

"(c) The Commission shall prescribe regulations requiring carriers to maintain appropriate accounting reserves against depreciation. The Commission may prescribe the classes of property for which depreciation charges may properly be included under operating expenses and the rate of depreciation which shall be charged with respect to each of such classes of property, and may classify the carriers as it may deem proper for this purpose. The Commission may, when it deems necessary, modify the classes and rates so prescribed. Carriers shall not charge to operating expenses any depreciation charges on classes of property other than those prescribed by the Commission, or charge with respect to any class of property a rate of depreciation other than that prescribed therefor by the Commission, and no carrier shall include under operating expenses any depreciation charge other than as prescribed by the Commission.

"(d) At all times the Commission and each of its members shall have access to all lands, buildings, and equipment of all carriers, and to all accounts, records, and memoranda kept by such carriers. When authorized by the Commission to do so, any employee of the Commission may inspect any such land, buildings, equipment, accounts, records, and memoranda. This section shall apply, to the extent found by the Commission to be reasonably necessary

for the administration of this Act, to any person controlling, controlled by or under common control with, any carrier.

“(e) Any carrier which operates both inside and outside of the metropolitan area and which has its principal office outside of the metropolitan area, may keep all of its accounts, records, and memoranda at such principal office but shall produce such accounts, records, and memoranda before the Commission whenever the Commission shall so direct.

“(f) Nothing in this section shall relieve any carrier from the obligations imposed upon it with respect to the matters covered in this section by any State or Federal regulatory commission in connection with transportation service rendered outside the Metropolitan District.

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“Administration Powers of Commission; Rules, Regulations and Orders

“15. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Such rules and regulations may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed. Unless a different date is specified therein, rules and regulations of the Commission shall be effective thirty (30) days after publication in the manner which the Commission shall prescribe. Orders of the Commission shall be effective on the date and in the manner which the Commission shall prescribe. For the purposes of its rules and regulations, the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of

persons or matters. All rules and regulations of the Commission shall be filed with its secretary and shall be kept open in convenient form for public inspection and examination during reasonable business hours.

"Applicability of Other Laws

"20. (a) Upon the date this Act becomes effective, the applicability of all laws of the signatories, relating to or affecting transportation subject to this Act and to persons engaged therein, and all rules, regulations and orders promulgated or issued thereunder, shall except to the extent in this Act specified, be suspended, except that—

"(1) The laws of the signatories relating to inspection of equipment and facilities, wages and hours of employees, insurance or similar security requirements, school fares, and free transportation for policemen and firemen shall remain in force and effect.

"(2) Upon the date this Act becomes effective, Certificates of Public Convenience and Necessity or Permits issued by the Interstate Commerce Commission to any carrier subject to the jurisdiction of this Commission shall be suspended only during the existence of this compact, provided such suspension shall not affect the authority of such certificate or permit-holder to transport special and chartered parties as now authorized by the Interstate Commerce Act and the rules and regulations promulgated thereunder by the Interstate Commerce Commission, not withstanding any other provisions of this Act.

"(b) In the event any provision or provisions of this Act exceed the limits imposed upon the legislature of any signatory by the Constitution of such signatory, the obligations, duties, powers or jurisdiction sought to be conferred by such provision or provisions upon the Commission shall be ineffective and such obligations, duties, powers or jurisdiction shall remain in the signatory and

shall be exercised by the agency thereof to which such obligations, duties, powers or jurisdiction are delegated by law in effect at the time this compact becomes effective. Such agency, however, in order to achieve the objective of this compact to effectuate the regulation of mass transit on a unified and coordinated basis throughout the Metropolitan District, shall refer to the Commission for its recommendations all matters arising under this Title so reserved to such signatory and all matters exempted from this Title pursuant to the proviso clause of Section 1(b) of this Title. The recommendations of the Commission with respect to such matters shall be advisory only.

Existing Rules, Regulations, Orders, and Decisions

"21. All rules, regulations, orders, decisions, or other action prescribed, issued, made, or taken by the Interstate Commerce Commission, the Public Utilities Commission of the District of Columbia, the Public Service Commission of Maryland, or the State Corporation Commission of Virginia, and which are in force at the time this section takes effect, with respect to transportation or persons subject to this Act, shall remain in effect, and be enforceable under this Act and in the manner specified by this Act, according to their terms, as though they had been prescribed, issued, made, or taken by the Commission pursuant to this Act, unless and until otherwise provided by such Commission in the exercise of its powers under this Act.

Transfer of Records

"22. The Public Utilities Commission of the District of Columbia, the Interstate Commerce Commission, the State Corporation Commission of Virginia, and the Public Service Commission of Maryland shall transfer or make available to the Commission such of their records as pertain to matters which by this Act are placed under the jurisdiction of the latter Commission.

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Act of September 15, 1960, 74 Stat. 1050, D. C. Code § 1-1412

§ 1-1412. Suspension of certain laws for duration of compact—Reinstatement of laws upon termination of compact—Certain police powers of parties to compact and Director of National Park Service not affected—Franchise rights and obligations of D.C. Transit System, Inc., not impaired—“Public Interest” includes interest of carrier employees—Laws relating to carrier employee benefits, wages, hours and working conditions, collective bargaining rights, rights to self organization continue in force—Jurisdiction of Public Service Commission and Interstate Commerce Commission transferred to Washington Metropolitan Area Transit Commission.

Upon the effective date of the compact and so long thereafter as the compact remains effective, the applicability of the laws of the United States, and the rules, regulations, and orders promulgated thereunder, relating to or affecting transportation under the compact and to the persons engaged therein, including those provisions of section 40-603(e), relating to the powers of the Public Service Commission of the District of Columbia and the Joint Board created under such section, is suspended, except as otherwise specified in the compact, to the extent that such laws, rules, regulations, and orders are inconsistent with or in duplication of the provisions of the compact: *Provided*, That upon the termination of the compact, the suspension of such laws, rules, regulations, and orders, if not theretofore repealed, shall terminate and such laws, rules, regulations, and orders shall thereupon again become applicable, and legally effective without further legislative or administrative action: *Provided further*, That nothing in this subchapter or in the compact shall affect the normal and ordinary police powers of the signatories and of the political subdivisions thereof and of the Director of the National Park Service with respect to the regulation of vehicles, control of traffic and use of streets, highways, and other vehicular facilities: *Provided*

further, That nothing in this subchapter or in the compact consented to and approved hereby shall impair or affect the rights, duties, and obligations created by the Act of July 24, 1956 (ch. 669, 70 Stat. 598), granting a franchise to D.C. Transit System, Inc.: *Provided further*, That the term "public interest" as used in section 12(b) of article XII, title 11 of the Compact shall be deemed to include, among other things, the interest of the carrier employees affected: *And provided further*, That nothing herein shall be deemed to render inapplicable any laws of the United States providing benefits for the employees of any carrier subject to this compact or relating to the wages, hours, and working conditions of employees of any carrier, or to collective bargaining between the carriers and said employees, or to the rights to self-organization, including, but not limited to, the Labor-Management Relations Act, 1947, as amended, and the Fair Labor Standards Act, as amended: Notwithstanding any provision of this section to the contrary, the jurisdiction of the Public Service Commission of the District of Columbia and of the Interstate Commerce Commission over all carriers and persons subject to the provisions of the Washington Metropolitan Area Transit Regulation Compact are hereby transferred, as and to the extent provided therein, to the Washington Metropolitan Area Transit Commission. (Sept. 15, 1960, 74 Stat. 1050, Pub. L. 86-794, § 3; Aug. 30, 1964, 78 Stat. 634, Pub. L. 88-503, § 21.)

Act of July 24, 1956, 70 Stat. 598:

TITLE I

PART 1.—FRANCHISE PROVISIONS

SECTION 1. (a) There is hereby granted to D. C. Transit System, Inc., a corporation of the District of Columbia (referred to in this part as the "Corporation") a franchise to operate a mass transportation system of passengers

for hire within the District of Columbia and between the District of Columbia and points within the area (referred to in this part as the "Washington Metropolitan Area") comprising all of the District of Columbia, the cities of Alexandria and Falls Church, and the counties of Arlington and Fairfax in the Commonwealth of Virginia and the counties of Montgomery and Prince Georges in the State of Maryland; subject, however, to the rights to render service within the Washington Metropolitan Area possessed, at the time this section takes effect, by other common carriers of passengers: *Provided*, That nothing in this section shall be construed to exempt the Corporation from any law or ordinance of the Commonwealth of Virginia or the State of Maryland or any political subdivision of such Commonwealth or State, or of any rule, regulation, or order issued under the authority of any such law or ordinance, or from applicable provisions of the Interstate Commerce Act and rules and regulations prescribed thereunder.

(b) Wherever reference is made in this part to "D. C. Transit System, Inc." or to the "Corporation", such reference shall include the successors and assigns of D. C. Transit System, Inc.

(c) As used in this part the term "franchise" means all the provisions of this part 1.

SEC. 2. (a) This franchise is granted for a term of twenty years: *Provided, however*, That Congress reserves the right to repeal this franchise at any time for its non-use.

(b) In the event of cancellation of this franchise by Congress after seven years from the date this franchise takes effect for any reason other than non-use, the Corporation waives its claim for any damages for loss of franchise.

SEC. 3. No competitive street railway or bus line, that is, bus or railway line for the transportation of passengers

of the character which runs over a given route on a fixed schedule, shall be established to operate in the District of Columbia without the prior issuance of a certificate by the Public Utilities Commission of the District of Columbia (referred to in this part as the "Commission") to the effect that the competitive line is necessary for the convenience of the public.

SEC. 4. It is hereby declared as a matter of legislative policy that in order to assure the Washington Metropolitan Area of an adequate transportation system operating as a private enterprise, the Corporation, in accordance with standards and rules prescribed by the Commission, should be afforded the opportunity of earning such return as to make the Corporation an attractive investment to private investors. As an incident thereto the Congress finds that the opportunity to earn a return of at least $6\frac{1}{2}$ per centum net after all taxes properly chargeable to transportation operations, including but not limited to income taxes; on either the system rate base or on gross operating revenues would not be unreasonable, and that the Commission should encourage and facilitate the shifting to such gross operating revenue base as promptly as possible and as conditions warrant; and if conditions warrant not later than August 15, 1958. It is further declared as a matter of legislative policy that if the Corporation does provide the Washington Metropolitan Area with a good public transportation system, with reasonable rates, the Congress will maintain a continuing interest in the welfare of the Corporation and its investors.

SEC. 5. The initial schedule of rates which shall be effective within the District of Columbia upon commencement of operations by the Corporation shall be the same as that effective for service by Capital Transit Company approved by the Commissioners of the District of Columbia pursuant to the Act of August 14, 1955 (Public Law No. 389, 84th Congress; 69 Stat. 724), in effect on the date of the

enactment of this Act, and shall continue in effect until August 15, 1957, and thereafter until superseded by a schedule of rates which becomes effective under this section. Whenever on or after August 15, 1957, the Corporation files with the Commission a new schedule of rates, such new schedule shall become effective on the tenth day after the date of such filing, unless the Commission prescribes a lesser time within which such new schedule shall go into effect, or unless prior to such tenth day the Commission suspends the operation of such new schedule. Such suspension shall be for a period of not to exceed one hundred twenty days from the date such new schedule is filed. If the Commission suspends such new schedule it shall immediately give notice of a hearing upon the matter and, after such hearing and within such suspension period, shall determine and by order fix the schedule of rates to be charged by the Corporation. If the Commission does not enter an order, to take effect at or prior to the end of the period of suspension, fixing the schedule of rates to be charged by the Corporation, the suspended schedule filed by the Corporation may be put into effect by the end of such period, and shall remain in effect until the Commission has issued an appropriate order based on such proceeding.

SEC. 6. The Corporation is hereby authorized and empowered to engage in special charter or sightseeing services subject to compliance with applicable laws, rules and regulations of the District of Columbia and of the municipalities or political subdivisions of the States in which such service is to be performed, and with applicable provisions of the Interstate Commerce Act and rules and regulations prescribed thereunder.

SEC. 7. The Corporation shall be obligated to initiate and carry out a plan of gradual conversion of its street railway operations to bus operations within seven years from the date of the enactment of this Act upon terms and

conditions prescribed by the Commission, with such regard as is reasonably possible when appropriate to the highway development plans of the District of Columbia and the economies implicit in coordinating the Corporation's track removal program with such plans; except that upon good and sufficient cause shown the Commission may in its discretion extend beyond seven years, the period for carrying out such conversion. All of the provisions of the full paragraph of the District of Columbia Appropriation Act, 1942 (55 Stat. 499, 533), under the title "HIGHWAY FUND, GASOLINE TAX AND MOTOR VEHICLE FEES", subtitle "STREET IMPROVEMENTS", relating to the removal of abandoned tracks, regrading of track areas, and paving abandoned track areas, shall be applicable to the Corporation.

SEC. 8. (a) As of August 15, 1956, paragraph numbered 5 of section 6 of the Act entitled "An Act making appropriations to provide for the expenses of the Government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes", approved July 1, 1902, as amended (D. C. Code, sec. 47-1701), is amended by striking out the third and fourth sentences and inserting in lieu thereof the following: "Each gas, electric-lighting, and telephone company shall pay, in addition to the taxes herein mentioned, the franchise tax imposed by the District of Columbia Income and Franchise Tax Act of 1947, and the tax imposed upon stock in trade of dealers in general merchandise under paragraph numbered 2 of section 6 of said Act approved July 1, 1902, as amended."

(b) Notwithstanding subsection (a) of this section, the Corporation shall be exempt from the following taxes:

(1) The gross sales tax levied under the District of Columbia Sales Tax Act;

(2) The compensating use tax levied under the District of Columbia Use Tax Act;

(3) The excise tax upon the issuance of titles to motor vehicles and trailers levied under subsection (j) of section 6 of the District of Columbia Traffic Act of 1925, as amended (D. C. Code, sec. 40-603 (j) (4));

(4) The taxes imposed on tangible personal property, to the same extent that the Capital Transit Company was exempt from such taxes immediately prior to the effective date of this section under the provisions of the Act of July 1, 1902, as amended; and

(5) The mileage tax imposed by subparagraph (b) of paragraph 31 of section 7 of the Act approved July 1, 1902, as amended (D. C. Code, sec. 47-2331 (b)).

SEC. 9. (a) Except as hereinafter provided, the Corporation shall not, with respect to motor fuel purchased on or after September 1, 1956, pay any part of the motor vehicle fuel tax levied under the Act entitled "An Act to provide for a tax on motor vehicle fuels sold within the District of Columbia, and for other purposes", approved April 23, 1924, as amended (D. C. Code, title 47, chapter 19).

(b) For the purposes of this section—

(1) the term "a $6\frac{1}{2}$ per centum rate of return" means a $6\frac{1}{2}$ per centum rate of return net after all taxes properly chargeable to transportation operations, including but not limited to income taxes, on the system rate base of the Corporation, except that with respect to any period for which the Commission utilizes the operating ratio method to fix the rates of the Corporation, such term shall mean a return of $6\frac{1}{2}$ per centum net after all taxes properly chargeable to transportation operations, including but not limited to income taxes, based on gross operating revenues; and

(2) the term "full amount of the Federal income taxes and the District of Columbia franchise tax levied upon corporate income" means the amount which would have been payable in the absence of write-offs in connection with

the retirement of street railway property as contemplated by section 7 of this part, but only to the extent that such write-offs are not included as an operating expense in determining net earnings for rate-making purposes.

(c) As soon as practicable after the twelve-month period ending on August 31, 1957, and as soon as practicable after the end of each subsequent twelve-month period ending on August 31, the Commission shall determine the Corporation's net operating income for such twelve-month period and the amount in dollars by which it exceeds or is less than a $6\frac{1}{2}$ per centum rate of return for such twelve-month period. In such determination the Commission shall include as an operating expense the full amount of the motor vehicle fuel tax which would be due but for the provisions of this section on the motor fuel purchased by the Corporation during the twelve-month period, and the full amount of the Federal income taxes and the District of Columbia franchise tax levied upon corporate income. The Commission shall certify its determination to the Commissioners of the District of Columbia or their designated agent. If the net operating income so certified by the Commission equals or is more than a $6\frac{1}{2}$ per centum rate of return, the Corporation shall be required to pay to such Commissioners, or their designated agent, the full amount of the motor vehicle fuel taxes due on the purchases of motor fuel made by the Corporation during such twelve-month period. If the net operating income so certified is less than a $6\frac{1}{2}$ per centum rate of return, the Corporation shall pay to such Commissioners, or their designated agent, in full satisfaction of the motor vehicle fuel tax for such period an amount, if any, equal to the full amount of said motor vehicle fuel tax reduced by the amount necessary to raise the Corporation's rate of return to $6\frac{1}{2}$ per centum for such period, after taking into account the effect of such reduction on the amount of the Federal income taxes and the District of Columbia franchise tax levied upon corporate income payable by the Corpora-

tion for such period. Within thirty days after being notified by the said Commissioners or their designated agent of the amount of the motor vehicle fuel tax due under this section, the Corporation shall pay such amount to the said Commissioners or their designated agent.

(d) If not paid within the period specified in subsection (c); the motor vehicle fuel tax payable under this section and the penalties thereon may be collected by the Commissioners of the District of Columbia or their designated agent in the manner provided by law for the collection of taxes due the District of Columbia on personal property in force at the time of such collection; and liens for the motor vehicle fuel tax payable under subsection (c) and penalties thereon may be acquired in the same manner that liens for personal property taxes are acquired.

(e) Where the amount of the motor vehicle fuel tax payable under subsection (c), or any part of such amount, is not paid on or before the time specified therein for such payment, there shall be collected, as part of the tax, interest upon such unpaid amount at the rate of one-half of 1 per centum per month, or portion of a month.

(f) The Commissioners of the District of Columbia or their designated agent are hereby authorized and directed to issue to the Corporation such certificates as may be necessary to exempt it from paying any importer the motor vehicle fuel tax imposed by such Act of April 23, 1924, as amended, or as hereafter amended.

(g) (1) From and after the time fixed in paragraph (2) of this subsection the Corporation shall not be required to pay real estate taxes upon any real estate owned by it in the District of Columbia and used and useful for the conduct of its public transportation operations to the extent that the Commission has determined under such rules and regulations as it may issue that the Corporation's net operating income in the previous year was in-

sufficient, after giving effect to the tax relief provided in the preceding subsections, to afford it a 6½ per centum rate of return.

(2) This subsection shall take effect upon the completion of the program contemplated in section 7 of this part, as certified by the Commission to the Commissioners of the District of Columbia, or at such earlier time as the Commission may find that the said program has been so substantially completed that the taking effect of this subsection would be appropriate in the public interest and shall so certify to the Commissioners of the District of Columbia.

SEC. 10. (a) The Corporation shall not be charged any part of the expense of removing, sanding, salting, treating, or handling snow on the streets of the District of Columbia, except that the Corporation shall sweep snow from the streetcar tracks at its own expense so long as such tracks are in use by the Corporation.

(b) The paragraph which begins "Hereafter every street railway company" which appears under the heading "STREETS" in the Act entitled "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and thirteen, and for other purposes", approved June 26, 1912 (D. C. Code, sec. 7-614), is hereby repealed.

SEC. 11. The provisions of law set forth in Title 43, sections 501 through 503 of the District of Columbia code shall not be deemed to restrict any merger or consolidation of the Corporation with any other company or companies engaged in mass transportation in the District of Columbia or the Washington Metropolitan Area: *Provided, however,* That any such merger or consolidation shall be subject to the approval of the Commission.

SEC. 12. Nothing in this part shall prevent the transfer, by or under the authority of any other Act of Congress, to

any other agency of any of the functions which are by this part granted to or imposed upon the Commission.

SEC. 13. (a) The Corporation is hereby authorized to issue or create loans, mortgages, deeds of trust, notes or other securities to any banking or other institution or institutions and to Capital Transit Company, with respect to the acquisition of assets of Capital Transit Company (including any corporation controlled by Capital Transit Company), provided that the interest rate thereon shall not exceed 5 per centum per annum, but the aggregate principal shall not exceed the cost of acquiring the assets of Capital Transit Company.

(b) (1) Section 5 of the Interstate Commerce Act shall not be construed to require the approval or authorization of the Interstate Commerce Commission of any transaction within the scope of paragraph (2) of such section 5 if the only parties to such transaction are the Corporation (including any corporation wholly controlled by the Corporation) and the Capital Transit Company (including any corporation wholly controlled by the Capital Transit Company). The issuance or creation of any securities provided for in subsection (a) shall not be subject to the provisions of section 20a of the Interstate Commerce Act.

(2) No approval of the acquisition of assets referred to in subsection (a), or of the issuance or creation of any securities provided for in subsection (a) in connection with such acquisition, shall be required from any District of Columbia agency or commission.

(c) This section shall not apply to any issuance of securities constituting a public offering to which the Securities Act of 1933 applies.

(d) Notwithstanding the provisions of section 409 (a) of the Civil Aeronautics Act of 1938—

(1) no air carrier shall be required (because of the fact that a person becomes or remains an officer, director, mem-

ber or stockholder holding a controlling interest of the Corporation, or of any common carrier controlled by the Corporation which is engaged in mass transportation of passengers for hire in the Washington Metropolitan Area, or is elected or reelected as an officer or director) to secure the authorization or approval of the Civil Aeronautics Board in order to have and retain such person as an officer or director, or both, of such air carrier if such person is an officer or director of such air carrier at the time this section takes effect; and

(2) no person who, at the time this section takes effect, is an officer or director of an air carrier shall be required to secure the approval of the Civil Aeronautics Board in order to hold the position of officer, director, member or stockholder holding a controlling interest of the Corporation or of any common carrier controlled by the Corporation which is engaged in mass transportation of passengers for hire in the Washington Metropolitan Area.

As used in this subsection, the term "air carrier" has the same meaning as when used in section 409 (a) of the Civil Aeronautics Act of 1938.

(e) Notwithstanding section 20a, (12) of the Interstate Commerce Act, authorization or approval of the Interstate Commerce Commission shall not be required in order to permit a person who is an officer or director of the Corporation to be also an officer or director, or both, of any common carrier controlled by the Corporation which is engaged in mass transportation of passengers for hire in the Washington Metropolitan Area.

SEC. 14. The Corporation, at the time it acquires the assets of Capital Transit Company, shall become subject to, and responsible for, all liabilities of Capital Transit Company of whatever kind or nature, known or unknown, in existence at the time of such acquisition, and shall submit to suit therefor as though it had been originally liable, and the creditors of Capital Transit Company shall have

as to the Corporation all rights and remedies which they would otherwise have had as to Capital Transit Company: *Provided, however,* That the Corporation shall not be liable to any dissenting stockholder of Capital Transit Company for the fair value of the stock of any such stockholder who shall qualify to be entitled to receive payment of such fair value. No action or proceeding in law or in equity, or before any Federal or District of Columbia agency or commission, shall abate in consequence of the provisions of this section, but such action or proceeding may be continued in the name of the party by or against which it was begun, except that in the discretion of the court, agency, or commission the Corporation may be substituted for the Capital Transit Company. In any and all such actions or proceedings, the Corporation shall have, and be entitled to assert, any and all defenses of every kind and nature which are or would be available to Capital Transit Company or which Capital Transit Company would be entitled to assert.

PART 2.—MISCELLANEOUS PROVISIONS

SEC. 21. (a) Section 14 of the joint resolution entitled "Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes", approved January 14, 1933 (47 Stat. 752), as amended (Public Law 389, Eighty-fourth Congress), is hereby repealed to the extent that such section repeals the charter of Capital Transit Company, without thereby affecting the termination of its franchise.

(b) Upon the taking effect of part 1 of this title, Capital Transit Company shall not be authorized to engage in business as owner or operator of electric railway, passenger motor bus, public transportation of passengers, or common carrier of passengers within, to, or from, the Washington Metropolitan Area.

(c) Capital Transit Company shall continue to exist as a corporation incorporated under the provisions of sub-

chapter 4 of chapter 18 of the Act entitled "An Act to establish a code of laws for the District of Columbia", approved March 3, 1901, as amended (D. C. Code, title 29, ch. 2), under its certificate of incorporation, as amended, and Capital Transit Company may amend its charter in any manner provided under the laws of the District of Columbia and may avail itself of the provisions of the District of Columbia Business Corporations Act in respect to a change of its name and may become incorporated or reincorporated thereunder in any manner as therein provided. Nothing referred to in this title, or the sale and vesting of the assets of Capital Transit Company, referred to therein, shall cause or require the corporate dissolution of Capital Transit Company.

Sec. 22. Nothing in this title shall be deemed to extend the franchise of Capital Transit Company beyond August 14, 1956, or, except as otherwise provided in this section, to relieve Capital Transit Company of any obligation to remove from the streets and highways at its own expense all of its property and facilities and to restore the streets and highways in accordance with the provisions of the District of Columbia Appropriation Act, 1942 (55 Stat. 499, 533) in the event the Corporation fails to acquire the assets of Capital Transit Company. If part 1 of this title takes effect, Capital Transit Company shall thereupon be relieved of all liability to remove from the streets and highways of the District of Columbia all of its properties and facilities and to restore such streets and highways.

Sec. 23. The powers and jurisdiction of the Public Utilities Commission of the District of Columbia with respect to Capital Transit Company shall cease and be at an end upon the taking effect of part 1 of this title.

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APPENDIX B

H.R. Rep. No. 1621, 88th Cong., 2d Sess. 29-30 (1960)

CHANGES IN EXISTING LAW

There follows in parallel columns a listing of the Federal laws which are suspended in whole or in part to the extent that such laws are inconsistent with or in duplication of the provisions of the compact and of this resolution:

EXISTING FEDERAL LAWS

49 U.S. Code (1958 ed.) chapter 8, Interstate Commerce Act-Motor Carriers.

D.C. Code (1951 ed.): Title 40—Motor Vehicles, § 603 (e) Joint Board.

Title 43—Public Utilities, Ch. 1. Definition of terms and application of law; Ch. 3. Service, valuation, accounts; Ch. 4. Rates examinations, investigations, and hearings; Ch. 5. Sale and merger of utilities; Ch. 7. Orders and court proceedings; Ch. 8. Issuance of securities; Ch. 9. Penal provisions; Ch. 10. General provisions.

Title 44. Railroads and other carriers. Ch. 2. Street Railways and Bus Lines.

BILL AS INTRODUCED

SEC. 3. That, upon the effective date of the compact and so long thereafter as the compact remains effective, the applicability of the laws of the United States, and the rules, regulations, and orders promulgated thereunder, relating to or affecting transportation under the compact and to the persons engaged therein, including those provisions of section 6(e) of the District of Columbia Traffic Act, 1925, as amended by the Act approved February 27, 1931 (46 Stat. 1426; Sec. 40-603(e), D.C. Code, 1951 edition), relating to the powers of the Public Utilities Commission of the District of Columbia and the Joint Board created under such section, is suspended, except as otherwise specified in the compact, to the extent that such laws, rules, regulations, and orders are inconsistent with or in duplication of the provisions of the compact: Provided, That upon the termination of the compact, the suspension of such laws, rules, regulations, and orders, if not therefore repealed, shall terminate and such laws, rules, regulations, and orders shall thereupon again become applicable and legally

EXISTING FEDERAL LAWS

No comparable provision as section confers new jurisdiction on the federal courts.

BILL AS INTRODUCED

effective without further legislative or administrative action.

SEC. 5. Jurisdiction is hereby conferred (1) upon the United States Court of Appeals for the Fourth Circuit and the United States Court of Appeals for the District of Columbia Circuit, respectively, to review orders of the Washington Metropolitan Area Transit Commission as provided by section 17, article XII, title II, of the Washington metropolitan area transit regulation compact, and (2) upon the United States district courts to enforce the provisions of said title II as provided in section 18, article XII, title II, of said compact.

